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AN UNCERTAIN, ERRATIC STORY: THE PANDEMIC IN THE UK

Irvine Lapsley

IPSAR, University of Edinburgh Business School.

Irvine.Lapsley@ed.ac.uk

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ABSTRACT

Purpose. To study the Pandemic from the perspective of the UK health care system and risk management.

Design/Methodology. This paper follows a storytelling perspective. The author reflects on his experiences through the lens of research on health care and risk management.

Findings. The impact of the Pandemic has been so massive it has challenged the capacity of the UK's NHS. The political influences at work have not always promoted best practice in risk management and indicate blame avoidance strategies by politicians

Originality. This is a highly individual account of experiences of the Pandemic

Practical Implications. There are major issues of asset management, of delays in decision making, of supply chain problems and the need to reform processes of handling of crisis management.

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INTRODUCTION

This paper is a personal reflection on the impact of Covid19 in the UK. As a researcher I have been active in health care research since the late 1970s at Warwick University in a major, multidisciplinary research project on the NHS which was led by the late John Perrin. (Perrin et al, 1978). The other perspective drawn on in this paper is Risk Management. This is a practice which I first wrote on in my 2009 Abacus paper (Lapsley, 2009), one of the most widely cited of my publications. However, I have not written a great deal on risk management. But I have written a paper with Michela Arnaboldi on Enterprise risk management, which confirmed the universality of risk management, with some sophisticated practices which included major public service organisations. I have also followed the work of one of my favourite writers, Michael Power, on risk management. On a practical level, risk management has surfaced in an organisation where I have held management positions and in other research sites where risk management is an everyday occurrence. However, the prominence of risk management does not guarantee efficacy – especially when dealing with enormous issues such as Covid19.

RESEARCH DESIGN

This is a personal reflection. It adopts a storytelling narrative from someone who lived in the UK during the Pandemic. The theoretical perspective taken is the Politics of Attention (Behn, 1998; Jones and Baumgartner, 2005; Johnsen, 2012). In this perspective the risk of failure has a disproportionate impact in public services. This can make both public administrations and government bodies and agencies focus overly on any instances of failure. This perspective may negate a learning environment and an open transparent approach to public affairs.

A UK PUBLIC HEALTH CRISIS

The UK National Health Service had major challenges even before the pandemic. In an early contribution, I mapped out the key challenges facing the UK's NHS (Lapsley, 1991), which exhibit continuing persistence (Lapsley, 2001a, Lapsley, 2001b). The NHS is committed to providing universal health care, free at the point of entry. This is challenged by an excess demand for its services which is fuelled by a population which is increasingly elderly, often with co-morbidities. This demand pull is accentuated by the impetus within the medical profession for clinical advances which creates an expectation within the public that the latest therapies and treatments are available to them. In this context, the obvious response is rationing of care. The price you pay for health care in many countries achieves rationing by

denying health care to poor members of the population. The absence of pricing in the UK may lead to rationing by bureaucratic means (for example, government approval for medical innovations to be made available to the general population; or waiting lists for specific treatments or procedures). To this complex mix we must add the sheer size of the NHS. When the USSR was still in existence, the Red Army was the only organisation bigger than the UK's NHS. Another layer of complexity is the effect of the austerity programmes after the Global Financial Crisis of 2008. The NHS was given a modest increase in its annual funding of circa 1% by the 2010 Coalition Government. But, with industry specific inflation closer to 7%, this was effectively real-terms cuts in its annual funding. After a decade of funding reductions was the NHS in good shape for Covid19?

A Pandemic is the most severe civil emergency risk to society (Horton,2020,p.25).One study suggested that the UK was the second-best country (after the US) of 193 countries to be ready for a Pandemic (NTI,2019). However, if that report gave comfort to the UK Government an earlier UK Government report called Cygnus which was initiated by May's 2016 government reported that we were ill prepared for a Pandemic. This was a report on a simulation which predicted 200,000 deaths. It is evident that little attempt was made to implement the recommendations of Cygnus and the UK was not prepared to deal with the extreme demands of a Pandemic (Horton, 2020,p.25). And the Government was criticised for not learning from early studies. For example, the SARS epidemic of 2003 suggested that the risk of a virally induced global humanitarian emergency was identified as a clear and present danger after SARS and the most important requirement was vigilance – a heightened and permanent state of awareness (Horton,2020,p.31). An even more trenchant criticism of the UK's readiness for a Pandemic was delivered by (McTague,2020). He said a senior official he interviewed told him the UK was not prepared for the Pandemic – but it thought it was. McTague (p.30) then offered this devastating critique:

“ Expert advisory committees proved too slow and ponderous, with not enough dissenting voices; crisis-response cells could not cope and were by-passed; the Cabinet Office buckled under the strain; the NHS had no adequate way of sharing data ; authorities could not meet the sudden demand for mass testing; the Foreign Office could not get people home fast enough; the Department of Health could not design a contact-tracing app that worked; the government overall could not sufficiently procure key pandemic equipment; and Downing St generally gave the impression of lurching from one crisis to another”.

It is important to note that the UK Government formed after the December 2019 General Election was less experienced than its predecessor. The PM had insisted that only those who were willing to have a No Deal Brexit with the EU would be in his cabinet . Many senior Ministers from the previous Conservative Government declined. This gave the UK a Government that was fixated on BREXIT and celebrating BREXIT Day on the 31st January, just as the pandemic kicked off. There was a permanent and heightened awareness of Brexit issues but a complacency over a Pandemic in the UK , even when major countries like Italy and Spain were in difficulties.

A RISK MANAGEMENT SOLUTION TO THE PANDEMIC?

The adaptation of Enterprise Risk Management to major government entities and indeed, to government itself may seem an obvious course of action, but there are wide-ranging criticisms of the risk management concept and its practice. After a study of a series of international corporate collapses, Hamilton and Micklethwait (2006) attributed much of these failures to weak corporate governance. They considered risk management as a suitable tool to address weaknesses in corporate governance. However, in a study of corporate failures in Australia, Clarke and Dean (2007) were critical of the potential of risk management, suggesting that it could become a form of legitimization of corporate activity.

This tension over efficacy is increased by the typical public adoption of private sector practices as 'best practice' (Hood, 1991, 1995) which had to be followed by public sector organisations, even when the worst excesses of weak governance were entirely private sector in origin. Yet another facet of the public sector is the existence of a blame culture (Hood, 2002; Hood and Rothstein, 2001). In this situation, public sector managers may be receptive to the adoption of risk management as a neutral technology which could operate as a kind of defensive shield against blame attribution by their opponents (Lapsley, 2009). These observations resonate with a public preoccupation with technologies to mitigate reputational risk (Power, 2004; Rika and Jacobs, 2019).

The most powerful critique of risk management was launched by Power in the context of his concept of the Audit Society (Power, 1994, 1997, 2004, 2007). Basically, Power does not regard risk management as an effective management tool and he identifies many unintended consequences of its use (Merton, 1936). Specifically, Power (2007) attributes the rise in the importance of risk management to the actions of the State as 'risk manager' as it seeks to inhibit reputational risks and legitimate its actions and activities. In his view, the importance of risk management to the State's reputation management strategy has resulted in a widespread adoption of risk management throughout the public sector. Indeed, for those who investigate public sector organisations, this phenomenon is evident. More importantly, Power (2004, 2007) argues that this universal adoption of risk management by public sector bodies can 'hardwire' defensive thinking in public sector organisations, imprisoning them in a risk averse, defensive position. The significance of risk management and its position in public sector organisations alongside audit gives a prominence to a compliance culture and a 'tick box' mentality (Power, 1994, 1997, 2004, 2007). Collectively the impact of these practices may lead to public sector workers being absorbed by procedures rather than the needs of citizens.

Despite all the above reservations, does risk management have something to offer at the level of the economy? Horton (2020) stressed the need for vigilance in scanning the horizon for potential virus threats. The UK Government's THRCC (Threats, Hazards, Resilience and Contingency Committee) was established to do this. It consisted of cabinet level ministers, a high-powered cadre to address dangers such as Covid19. However, on his elevation to Prime Minister, one of the first acts of the UK Prime Minister was to disband THRCC to get his

cabinet more focussed on BREXIT (Walters, 2020). One former Cabinet Minister said the existence of THRCC would have helped the government respond more rapidly to the threat of Covid19 (Telegraph Reporters, 2020). While the dismissal of this committee can be described as a strategic error with the benefit of hindsight, this does not rule out the resuscitation of this committee.

If we examine the challenges the UK Government faced from Covid19, from the perspective of a contemporary model of risk management, there may be a case for the government adoption of risk management as a continuing governance tool (see table 1, which is based on the work of Deloach, 2018).

Table 1 Critical Elements of Risk Management

| | |
|----------------------|---|
| The Overall Approach | 1.Process 2.Integration 3.Culture 4.Infrastructure |
| Critical Element 1 | Identify Risk <ul style="list-style-type: none"> • Impact • Likelihood • Velocity • Persistence |
| Critical Element 2 | Source Risk |
| Critical Element 3 | Measure Risk |
| Critical Element 4 | Evaluate Risk <ul style="list-style-type: none"> • Avoid • Accept • Reduce • Share |
| Critical Element 5 | Mitigate Risk |
| Critical Element 6 | Monitor Risk |

Adapted from : J. Deloach (2018) Key Elements of the Risk Management Process
<https://www.corporatecomplianceinsights.com/key-elements>

Regarding the first element on the overall approach, we have a context which looks challenged or compromised. For example, on McTague's (2020) comment about complacency, the Prime Minister made the following statement on 2 March (Calvert et al.,2020):

“This country is very, very, well prepared...we've got fantastic testing systems, amazing surveillance of the spread of disease. I wish to stress that, at the moment, it's very important that people consider that they should, as far as possible, go about business as usual”.

This statement can be interpreted as one by a Prime Minister who seeks to reassure the citizens of his country. But in May he declared that the UK would have a world beating test and trace system by 1 June. However, the testing app for smartphones has just gone live on 14 September. Also, on 14 September, citizens trying to book tests for Covid19 were given appointments hundreds of miles away from their homes. Further evidence of limited testing

capacity. The statements by the Prime Minister reveal a bravura and an over-optimistic attitude, particularly in the context of Covid19 surges in the likes of Italy and Spain.

This complacency is made worse by the impact of 10 years of austerity on the NHS. A further complication is the longstanding difficulty of modernising ICT in the NHS. This challenge is due to the inherent complexity of the NHS. Furthermore, the NHS is an organisation which has been subject to almost continuous change by modernising reformers (Brunsson, 1992, Brunsson and Olse, 1993; Lapsley 2001c). All these factors make the overall risks difficult. While the NHS has great expertise, it is not necessarily agile, has had funding difficulties and has had too many government-inspired reorganisations.

Regarding Element 1, the identification of the risk could have been sharper. The Government had some sense of the speed of its spread and its persistence and this posed grave concerns for hospital capacity. But the Government did see the pressure on both ventilators and intensive care capacity. It requested British manufacturers to design and make ventilators, which they did. They built Nightingale hospitals in record time for Covid19 patients. However, much of this capacity was not used. Regarding Elements 2 and 3, there was clarity and measurement of the principal risks. However, in the evaluation of risk, there were issues around avoiding and reducing risk. For example, on testing for Covid19 the UK has had struggles to generate sufficient capacity, as noted above, despite the promptings of official government advisers. On hospital capacity, emergency powers were used to shift vulnerable elderly people without Covid19 testing and many thousands died. The Prime Minister said many care homes had failed to follow correct procedures, but this was described as a Kafkaesque alternative reality by a care home CEO -he said the government make the rules, care homes follow the rules, they do not like the results and blame us (Elliott, 2020).

CONCLUSION

Risk management has been severely criticised. However, the uncertain erratic path of the UK Government's handling of the Covid19 crisis suggests there is a place for the more systematic approach of risk management. The model discussed here, allied to total transparency of approach and more clinical leverage could have resulted in fewer fatalities in the UK. An important feature of risk management practice for governments is the need to have a body of senior officials which routinely scans the environment for risks such as Covid19. Such a body would have detected the early signs of Covid19 in China from September 2019, the disputes in that country on how to handle the virus, the reaction of neighbouring countries to the virus and the likelihood of this virus becoming a pandemic. The overt use of a rigorous and system assessment of the UK's capacity (hospital space, numbers of medical staff, testing capacity and adequacy of supplies of personal protective equipment) would have enabled the UK to respond more promptly. Also, there is a case for the formalisation of these risk assessments which holds the Government to account if they disregard warning signals and do not accept responsibility for the risk management strategy.

This paper draws on the politics of attention literature which emphasises the impact of failure. A distinct part of this theory is the need to avoid mistakes because the consequences of making mistakes at governmental level can be catastrophic. This can contribute to a blame culture. It can lead to obfuscation rather than transparency and accountability. There will be

an inquiry into the Government's handling of this pandemic. This perspective is important to learn lessons and avoid future risks. This account suggests a change of direction to a more responsive, learning approach to public affairs, is necessary, given our experiences of the government's management of the Pandemic.

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